

Members

Rep. Markt Lytle, Chairperson
Rep. Gary Cook
Rep. James Buck
Rep. William Friend
Sen. Thomas Weatherwax
Sen. James Merritt
Sen. Katie Wolf
Sen. Samuel Smith, Jr.
Mayor Norm Blankenship
Mayor David Butterfield
Richard P. Jones
Karen Large
Mayor Howard Hatcher
James R. Murphy
Patricia French
Mayor William Goffinet



LOCAL GOVERNMENT FINANCE STUDY COMMISSION

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Authority: P.L. 242-1997

MEETING MINUTES¹

Meeting Date: September 13, 2000
Meeting Time: 10:30 A.M.
Meeting Place: State House, 200 W. Washington
St., Room 431
Meeting City: Indianapolis, Indiana
Meeting Number: 2

Members Present: Rep. Markt Lytle, Chairperson; Rep. James Buck; Rep. William Friend; Sen. James Merritt; Sen. Katie Wolf; Sen. Samuel Smith, Jr.; Mayor Norm Blankenship; Richard P. Jones; Karen Large; James R. Murphy; Patricia French.

Members Absent: Rep. Gary Cook; Sen. Thomas Weatherwax; Mayor David Butterfield; Mayor Howard Hatcher; Mayor William Goffinet.

Rep. Lytle called the meeting to order shortly after 10:30 a.m.

Rep. Lytle recognized Steve Buschmann to address the Commission regarding the financing of township fire protection. Mr. Buschmann, representing the Indiana Township Association, provided the Commission with Exhibit A listing the various townships that had resorted to emergency short term borrowing to fund township fire protection since 1997. Mr. Buschmann noted that when a township takes an emergency loan, tax dollars are

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

devoted to interest payments and attorney fees rather than to provide fire protection. Mr. Buschmann stated that as township fire departments switch from being a volunteer department to a career department there is no mechanism available to pay for the switch. The law currently does not allow for an adjustment to a township's property tax levy. Mr. Buschmann indicated that some townships are repeatedly impacted and forced to go outside the property tax levy to fund expenses that should remain inside the levy.

To remedy the situation, Mr. Buschmann proposed adding an additional grounds for a township to appeal to the State Board of Tax Commissioners for an increase to the township's maximum permissible property tax levy under IC 6-1.1-18.5-13 (See page 5 of Exhibit B). Under Mr. Buschmann's proposal, a township that had taken short term emergency loans in the previous two (2) years could appeal to the State Board of Tax Commissioners for an increase in the township's maximum levy for the current year. The proposal would limit a township to no more than one appeal every three years.

Rep. Lytle asked about the possibility of townships unnecessarily spending more money and unnecessarily incurring short term emergency loans in order to qualify for an appeal down the road under Mr. Buschmann's proposal. Mr. Buschmann responded that the township trustees are elected officials who do a good job anticipating salary requirements and the fire protection demands in the township.

Mayor Blankenship asked about the townships' ability to recoup costs for false alarms and the like. Mr. Buschmann noted that while the Indiana Code permits certain charges, fines and fees that may be imposed by a city are not available options under the more limited home rule granted to townships.

Rep. Friend asked whether the issue was primarily a problem in growing communities and whether a more tailored solution applicable to growing communities was preferable. Mr. Buschmann noted that the issue is driven by the transition from volunteer to career fire departments. Rural areas could be impacted as fewer and fewer people are willing to be free volunteer fire fighters. Mr. Buschmann also noted that some rural townships are bumping against their maximum levies.

Although no official action was taken on Mr. Buschmann's proposal, Sen. Wolf and Mr. Jones voiced their support for the proposal.

Rep. Lytle then recognized Patrick Taylor, Indiana Coalition on Housing and Homeless Issues, to address issue of homelessness. Mr. Taylor provided a written copy of his remarks to the Commission (Exhibit C). Mr. Taylor reviewed the federal money distributed by the Indiana Family and Social Services Administration (FSSA) each year. Mr. Taylor noted that each year the FSSA receives requests for more money than is available to be distributed. Mr. Taylor also contrasted homeless issues in urban and rural areas. Mr. Taylor described housing problems common to both urban and rural areas. Mr. Taylor discussed programs in various parts of the state. Mr. Taylor concluded that while, emergency shelters play a vital role in helping those who are in greatest need, Indiana doesn't have enough of them and inadequately funds the ones we do have.

Rep. Lytle then recognized Christie Williams who represented the Indiana Association for Community Economic Development. Ms. Williams discussed two state funds that are available for housing programs: (1) the housing trust fund established under IC 5-20-4; and (2) the Indiana affordable housing fund established under IC 5-20-5. Ms. Williams indicated that the association was working with various legislators to identify an appropriate permanent source of funding for the two funds.

Sen. Merritt urged the Commission members to keep in their minds the hidden issue of the children of the homeless and its impact upon the education system.

Rep. Lytle adjourned the meeting after reviewing the calendar and tentatively setting the Commission's third meeting for October 11, 2000.